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NEAR EAST-AFRICA

1. GREECE: Reduction in army strength urged--US Ambassador Grady, commenting on General Van Fleet's recent recommendation that Greek armed forces be maintained at their present strength through fiscal year 1950, stresses the importance of effecting a substantial reduction of Greek Army strength in advancing Greek economic rehabilitation and declares that responsible Greek leaders are becoming increasingly insistent on such a shift in emphasis from the military problem to reconstruction. Grady feels that there is every present indication that the army's summer campaign will eliminate organized guerrilla operations in the interior of Greece, thus permitting reduction of the Greek forces to begin. Grady adds, however, that the US should attempt to maintain its present military aid appropriations and should not consider a reduction of the army's strength before next fall.

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(CIA Comment: CIA believes that, although guerrilla activity in the heart of Greece will probably be virtually eliminated by autumn, the concentration of the main guerrilla strength in areas along the Albanian frontier will require all available Greek Army strength.)

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